



General Assembly

Bill No. 801

May, 2004 Special Session

LCO No. 5473

05473_____

Referred to Committee on No Committee

Introduced by:

SEN. SULLIVAN, 5th Dist.

REP. LYONS, 146th Dist.

**AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR
CAPITAL IMPROVEMENTS.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsections (a) and (b) of section 4-66c of the general
2 statutes are repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2004*):

4 (a) For the purposes of subsection (b) of this section, the State Bond
5 Commission shall have power, from time to time to authorize the
6 issuance of bonds of the state in one or more series and in principal
7 amounts not exceeding in the aggregate [nine hundred six million nine
8 hundred eighty-seven thousand five hundred forty-four] nine hundred
9 eighty-two million four hundred eighty-seven thousand five hundred
10 forty-four dollars, provided [one hundred seven] seventy-five million
11 five hundred thousand dollars of said authorization shall be effective
12 July 1, [2003] 2004. All provisions of section 3-20, as amended, or the
13 exercise of any right or power granted thereby, which are not
14 inconsistent with the provisions of this section, are hereby adopted

15 and shall apply to all bonds authorized by the State Bond Commission
16 pursuant to this section, and temporary notes in anticipation of the
17 money to be derived from the sale of any such bonds so authorized
18 may be issued in accordance with said section 3-20 and from time to
19 time renewed. Such bonds shall mature at such time or times not
20 exceeding twenty years from their respective dates as may be provided
21 in or pursuant to the resolution or resolutions of the State Bond
22 Commission authorizing such bonds. None of said bonds shall be
23 authorized except upon a finding by the State Bond Commission that
24 there has been filed with it a request for such authorization, which is
25 signed by or on behalf of the Secretary of the Office of Policy and
26 Management and states such terms and conditions as said commission
27 in its discretion may require. Said bonds issued pursuant to this
28 section shall be general obligations of the state and the full faith and
29 credit of the state of Connecticut are pledged for the payment of the
30 principal of and interest on said bonds as the same become due, and
31 accordingly as part of the contract of the state with the holders of said
32 bonds, appropriation of all amounts necessary for punctual payment
33 of such principal and interest is hereby made, and the Treasurer shall
34 pay such principal and interest as the same become due.

35 (b) The proceeds of the sale of said bonds, to the extent hereinafter
36 stated, shall be used, subject to the provisions of subsections (c) and (d)
37 of this section, for the purpose of redirecting, improving and
38 expanding state activities which promote community conservation and
39 development and improve the quality of life for urban residents of the
40 state as hereinafter stated: (1) For the Department of Economic and
41 Community Development: Economic and community development
42 projects, including administrative costs incurred by the Department of
43 Economic and Community Development, not exceeding [seventy-four
44 million five hundred ninety-one thousand six hundred forty-two]
45 sixty-seven million five hundred ninety-one thousand six hundred
46 forty-two dollars, one million dollars of which shall be used for a grant
47 to the development center program and the nonprofit business
48 consortium deployment center approved pursuant to section 32-411;

49 [and provided seven million dollars of said authorization shall be
50 effective July 1, 2003;] (2) for the Department of Transportation: Urban
51 mass transit, not exceeding two million dollars; (3) for the Department
52 of Environmental Protection: Recreation development and solid waste
53 disposal projects, not exceeding one million nine hundred ninety-five
54 thousand nine hundred two dollars; (4) for the Department of Social
55 Services: Child day care projects, elderly centers, shelter facilities for
56 victims of domestic violence, emergency shelters and related facilities
57 for the homeless, multipurpose human resource centers and food
58 distribution facilities, not exceeding thirty-nine million one hundred
59 thousand dollars, provided four million dollars of said authorization
60 shall be effective July 1, 1994; (5) for the Department of Economic and
61 Community Development: Housing projects, not exceeding three
62 million dollars; (6) for the Office of Policy and Management: (A)
63 Grants-in-aid to municipalities for a pilot demonstration program to
64 leverage private contributions for redevelopment of designated
65 historic preservation areas, not exceeding one million dollars; (B)
66 grants-in-aid for urban development projects including economic and
67 community development, transportation, environmental protection,
68 public safety, children and families and social services projects and
69 programs, including, in the case of economic and community
70 development projects administered on behalf of the Office of Policy
71 and Management by the Department of Economic and Community
72 Development, administrative costs incurred by the Department of
73 Economic and Community Development, not exceeding [seven
74 hundred eighty-five million three hundred thousand] eight hundred
75 sixty-seven million eight hundred thousand dollars, provided [one
76 hundred] eighty-two million five hundred thousand dollars of said
77 authorization shall be effective July 1, [2003] 2004. Five million dollars
78 of the grants-in-aid authorized in subparagraph (B) of subdivision (6)
79 of this subsection may be made available to private nonprofit
80 organizations for the purposes described in said subparagraph (B).
81 [Five] Ten million dollars of the grants-in-aid authorized in
82 subparagraph (B) of subdivision (6) of this subsection may be made

83 available for necessary renovations and improvements of libraries.
84 Five million dollars of the grants-in-aid authorized in subparagraph
85 (B) of subdivision (6) of this subsection shall be made available for
86 small business gap financing. Ten million dollars of the grants-in-aid
87 authorized in subparagraph (B) of subdivision (6) of this subsection
88 may be made available for regional economic development revolving
89 loan funds.

90 Sec. 2. Subsection (a) of section 4-66g of the general statutes is
91 repealed and the following is substituted in lieu thereof (*Effective July*
92 *1, 2004*):

93 (a) For the purposes described in subsection (b) of this section, the
94 State Bond Commission shall have the power, from time to time, to
95 authorize the issuance of bonds of the state in one or more series and
96 in principal amounts not exceeding in the aggregate [forty] sixty
97 million dollars, provided twenty million dollars of said authorization
98 shall be effective July 1, [2001] 2004. [, and twenty million dollars of
99 said authorization shall be effective July 1, 2002.]

100 Sec. 3. Subsection (a) of section 4a-10 of the general statutes is
101 repealed and the following is substituted in lieu thereof (*Effective July*
102 *1, 2004*):

103 (a) For the purposes described in subsection (b) of this section, the
104 State Bond Commission shall have the power, from time to time to
105 authorize the issuance of bonds of the state in one or more series and
106 in principal amounts not exceeding in the aggregate two hundred
107 [thirty] forty-eight million dollars, provided [nineteen] eighteen
108 million [five hundred thousand] dollars of said authorization shall be
109 effective July 1, [2002] 2004.

110 Sec. 4. Subsection (a) of section 7-538 of the general statutes is
111 repealed and the following is substituted in lieu thereof (*Effective July*
112 *1, 2004*):

113 (a) For the purposes described in subsection (b) of this section, the
 114 State Bond Commission shall have the power, from time to time, to
 115 authorize the issuance of bonds of the state in one or more series and
 116 in principal amounts not exceeding in the aggregate [four hundred
 117 seventy million] four hundred sixty-five million dollars. [, provided
 118 sixty-five million dollars of said authorization shall be effective July 1,
 119 2003.]

120 Sec. 5. (*Effective from passage*) Notwithstanding any reduction in
 121 funds available under sections 7-535 to 7-538, inclusive, of the general
 122 statutes, as amended by this act, for the fiscal years ending June 30,
 123 2004, and June 30, 2005, each municipality shall be entitled to the full
 124 amount of the credit to which it would have been entitled if thirty
 125 million dollars had been made available under said sections 7-535 to 7-
 126 538, inclusive, for each such year.

127 Sec. 6. Section 10-287d of the general statutes, as amended by
 128 section 20 of public act 03-2 of the September 8 special session, is
 129 repealed and the following is substituted in lieu thereof (*Effective July*
 130 *1, 2004*):

131 For the purposes of funding (1) grants to projects that have received
 132 approval of the State Board of Education pursuant to sections 10-287,
 133 as amended, and 10-287a, subsection (a) of section 10-65 and section
 134 10-76e, (2) grants to assist school building projects to remedy safety
 135 and health violations and damage from fire and catastrophe, and (3)
 136 regional vocational-technical school projects pursuant to section 10-
 137 283b, the State Treasurer is authorized and directed, subject to and in
 138 accordance with the provisions of section 3-20, as amended, to issue
 139 bonds of the state from time to time in one or more series in an
 140 aggregate amount not exceeding [three billion five hundred forty-six
 141 million three hundred sixty thousand] four billion one hundred
 142 seventy-one million eight hundred sixty thousand dollars, provided
 143 [four hundred fifty-eight] six hundred twenty-five million five
 144 hundred thousand dollars of said authorization shall be effective July

1, [2003] 2004. Bonds of each series shall bear such date or dates and mature at such time or times not exceeding thirty years from their respective dates and be subject to such redemption privileges, with or without premium, as may be fixed by the State Bond Commission. They shall be sold at not less than par and accrued interest and the full faith and credit of the state is pledged for the payment of the interest thereon and the principal thereof as the same shall become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due. The State Treasurer is authorized to invest temporarily in direct obligations of the United States, United States agency obligations, certificates of deposit, commercial paper or bank acceptances such portion of the proceeds of such bonds or of any notes issued in anticipation thereof as may be deemed available for such purpose.

Sec. 7. Section 10-292k of the general statutes, as amended by section 21 of public act 03-2 of the September 8 special session, is repealed and the following is substituted in lieu thereof (*Effective July 1, 2004*):

For purposes of funding interest subsidy grants, except for interest subsidy grants made pursuant to subsection (b) of section 10-292m, the State Treasurer is authorized and directed, subject to and in accordance with the provisions of section 3-20, as amended, to issue bonds of the state from time to time in one or more series in an aggregate amount not exceeding [one hundred ninety-eight million one hundred thousand] two hundred thirty-one million one hundred thousand dollars, provided [twenty-seven] thirty-three million dollars of said authorization shall be effective July 1, [2003] 2004. Bonds of each series shall bear such date or dates and mature at such time or times not exceeding thirty years from their respective dates and be subject to such redemption privileges, with or without premium, as may be fixed by the State Bond Commission. They shall be sold at not less than par and accrued interest and the full faith and credit of the

178 state is pledged for the payment of the interest thereon and the
179 principal thereof as the same shall become due, and accordingly and as
180 part of the contract of the state with the holders of said bonds,
181 appropriation of all amounts necessary for punctual payment of such
182 principal and interest is hereby made, and the State Treasurer shall pay
183 such principal and interest as the same become due. The State
184 Treasurer is authorized to invest temporarily in direct obligations of
185 the United States, United States agency obligations, certificates of
186 deposit, commercial paper or bank acceptances, such portion of the
187 proceeds of such bonds or of any notes issued in anticipation thereof as
188 may be deemed available for such purpose.

189 Sec. 8. Subsection (a) of section 22a-483 of the general statutes is
190 repealed and the following is substituted in lieu thereof (*Effective July*
191 *1, 2004*):

192 (a) For the purposes of sections 22a-475 to 22a-483, inclusive, the
193 State Bond Commission shall have the power, from time to time to
194 authorize the issuance of bonds of the state in one or more series and
195 in principal amounts, not exceeding in the aggregate [eight hundred
196 one] seven hundred forty-one million thirty thousand dollars. [,
197 provided sixty million dollars of said authorization shall be effective
198 July 1, 2003.]

199 Sec. 9. Section 32-607 of the general statutes is amended by adding
200 subsection (q) as follows (*Effective July 1, 2004*):

201 (NEW) (q) In connection with the issuance of bonds to finance the
202 convention center project or to refund bonds previously issued by the
203 authority to finance the convention center project, the authority may
204 create and establish one or more reserve funds to be known as special
205 capital reserve funds and may pay into such special capital reserve
206 funds (1) any moneys appropriated and made available by the state for
207 the purposes of such funds, (2) any proceeds of sale of notes or bonds
208 for the convention center project, to the extent provided in the
209 resolution of the authority authorizing the issuance thereof, and (3)

210 any other moneys which may be made available to the authority for
211 the purpose of such funds from any other source or sources. The
212 moneys held in or credited to any special capital reserve fund
213 established under this section, except as hereinafter provided, shall be
214 used solely for the payment of the principal of and interest on, when
215 due, whether at maturity or by mandatory sinking fund installments,
216 on bonds of the authority secured by such capital reserve fund as the
217 same become due, the purchase of such bonds of the authority, the
218 payment of any redemption premium required to be paid when such
219 bonds are redeemed prior to maturity; provided the authority shall
220 have power to provide that moneys in any such fund shall not be
221 withdrawn therefrom at any time in such amount as would reduce the
222 amount of such funds to less than the maximum amount of principal
223 and interest becoming due by reasons of maturity or a required
224 sinking fund installment in the then current or any succeeding
225 calendar year on the bonds of the authority then outstanding or the
226 maximum amount permitted to be deposited in such fund by the
227 Internal Revenue Code of 1986, or any subsequent corresponding
228 internal revenue code of the United States, as from time to time
229 amended, to permit the interest on said bonds to be excluded from
230 gross income for federal tax purposes and secured by such special
231 capital reserve fund, such amount being herein referred to as the
232 "required minimum capital reserve", except for the purpose of paying
233 such principal of, redemption premium and interest on such bonds of
234 the authority secured by such special capital reserve becoming due
235 and for the payment of which other moneys of the authority are not
236 available. The authority may provide that it shall not issue bonds
237 secured by a special capital reserve fund at any time if the required
238 minimum capital reserve on the bonds outstanding and the bonds then
239 to be issued and secured by the same special capital reserve fund at the
240 time of issuance, unless the authority, at the time of the issuance of
241 such bonds, shall deposit in such special capital reserve fund from the
242 proceeds of the bonds so to be issued, or otherwise, an amount which,
243 together with the amount then in such special capital reserve fund, will

244 be not less than the required minimum capital reserve. On or before
245 December first, annually, there is deemed to be appropriated from the
246 state General Fund such sums, if any, as shall be certified by the
247 chairman or vice-chairman of the authority to the Secretary of the
248 Office of Policy and Management and the Treasurer, as necessary to
249 restore each such special capital reserve fund to the amount equal to
250 the required minimum capital reserve of such fund, and such amounts
251 shall be allotted and paid to the authority. For the purpose of
252 evaluation of any such special capital reserve fund, obligations
253 acquired as an investment for any such fund shall be valued at market.
254 Nothing contained in this section shall preclude the authority from
255 establishing and creating other debt service reserve funds in
256 connection with the issuance of bonds or notes of the authority which
257 are not special capital reserve funds. Subject to any agreement or
258 agreements with holders of outstanding notes and bonds of the
259 authority, any amount or amounts allotted and paid to the authority
260 pursuant to this section shall be repaid to the state from moneys of the
261 authority at such time as such moneys are not required for any other of
262 its corporate purposes and in any event shall be repaid to the state on
263 the date one year after all bonds and notes of the authority theretofore
264 issued on the date or dates such amount or amounts are allotted and
265 paid to the authority or thereafter issued, together with interest on
266 such bonds and notes, with interest on any unpaid installments of
267 interest and all costs and expenses in connection with any action or
268 proceeding by or on behalf of the holders thereof, are fully met and
269 discharged. No bonds secured by a special capital reserve fund shall be
270 issued to pay project costs unless the authority is of the opinion and
271 determines that the revenues from the project shall be sufficient to (A)
272 pay the principal of and interest on the bonds issued to finance the
273 project, (B) establish, increase and maintain any reserves deemed by
274 the authority to be advisable to secure the payment of the principal of
275 and interest on such bonds, (C) pay the cost of maintaining the project
276 in good repair and keeping it properly insured, and (D) pay such other
277 costs of the project as may be required. No bonds secured by a special

278 capital reserve fund shall be issued unless the issuance of such bonds
279 is approved by the Treasurer.

280 Sec. 10. Subsection (a) of section 32-616 of the general statutes is
281 repealed and the following is substituted in lieu thereof (*Effective July*
282 *1, 2004*):

283 (a) For the purposes described in subsection (b) of this section the
284 State Bond Commission shall have power, from time to time but in no
285 case later than June 30, [2005] 2009, to authorize the issuance of bonds
286 of the state, in one or more series and in principal amounts and in the
287 aggregate not exceeding one hundred fifteen million dollars and such
288 additional amounts as may be required in connection with the costs of
289 issuance of the bonds including bond anticipation, temporary and
290 interim notes, the proceeds of which shall be used by the State
291 Treasurer to pay the costs of issuance, provided in computing the total
292 amount of bonds which may at any one time be outstanding, the
293 principal amount of any refunding bonds issued to refund bonds shall
294 be excluded.

295 Sec. 11. Subsection (a) of section 32-235 of the general statutes is
296 repealed and the following is substituted in lieu thereof (*Effective July*
297 *1, 2004*):

298 (a) For the purposes described in subsection (b) of this section, the
299 State Bond Commission shall have the power, from time to time to
300 authorize the issuance of bonds of the state in one or more series and
301 in principal amounts not exceeding in the aggregate [five hundred five
302 million three hundred thousand] four hundred ninety-five million
303 three hundred thousand dollars. [, provided ten million dollars of said
304 authorization shall be effective on July 1, 2003.]

305 Sec. 12. Subsection (b) of section 32-235 of the general statutes is
306 repealed and the following is substituted in lieu thereof (*Effective July*
307 *1, 2004*):

308 (b) The proceeds of the sale of said bonds, to the extent of the
309 amount stated in subsection (a) of this section, shall be used by the
310 Department of Economic and Community Development for the
311 purposes of sections 32-220 to 32-234, inclusive, including economic
312 cluster-related programs and activities, and for the Connecticut job
313 training finance demonstration program pursuant to sections 32-23uu
314 and 32-23vv provided, (1) three million dollars shall be used by said
315 department solely for the purposes of section 32-23uu and not more
316 than five million two hundred fifty thousand dollars of the amount
317 stated in said subsection (a) may be used by said department for the
318 purposes of section 31-3u, (2) not less than one million dollars shall be
319 used for an educational technology grant to the deployment center
320 program and the nonprofit business consortium deployment center
321 approved pursuant to section 32-41l, [and] (3) not less than two million
322 dollars shall be used by said department for the establishment of a
323 pilot program to make grants to businesses in designated areas of the
324 state for construction, renovation or improvement of small
325 manufacturing facilities provided such grants are matched by the
326 business, a municipality or another financing entity. The commissioner
327 shall designate areas of the state where manufacturing is a substantial
328 part of the local economy and shall make grants under such pilot
329 program which are likely to produce a significant economic
330 development benefit for the designated area, and (4) five million
331 dollars may be used by said department for the manufacturing
332 competitiveness grants program.

333 Sec. 13. (NEW) (*Effective July 1, 2004*) In accordance with the
334 provisions of section 32-462 of the general statutes, during the period
335 commencing July 1, 2001, and ending June 30, 2007, the Department of
336 Economic and Community Development may provide financial
337 assistance from existing programs to Downtown Torrington
338 Redevelopment LLC for the purposes of restoration and improvements
339 to property in the city of Torrington, in said time period, in an
340 aggregate amount not to exceed thirty million dollars.

341 Sec. 14. Subsection (a) of section 32-262 of the general statutes is
342 repealed and the following is substituted in lieu thereof (*Effective July*
343 *1, 2004*):

344 (a) For the purposes described in subsection (b) of this section, the
345 State Bond Commission shall have the power, from time to time, to
346 authorize the issuance of bonds of the state in one or more series and
347 in principal amounts not exceeding in the aggregate [~~thirty-nine~~] thirty
348 million dollars.

349 Sec. 15. Subsection (a) of section 3 of public act 96-250 is amended to
350 read as follows (*Effective July 1, 2004*):

351 (a) For the purposes described in subsection (b) of this section, the
352 State Bond Commission shall have the power, from time to time to
353 authorize the issuance of bonds of the state in one or more series and in
354 principal amounts not exceeding in the aggregate [~~five~~] three million
355 dollars.

356 Sec. 16. Subsection (a) of section 17a-225 of the general statutes is
357 repealed and the following is substituted in lieu thereof (*Effective July*
358 *1, 2004*):

359 (a) The State Bond Commission shall have the power, from time to
360 time to authorize the issuance of bonds of the state in one or more
361 series and in principal amounts not exceeding in the aggregate [~~four~~]
362 six million dollars.

363 Sec. 17. Subsection (a) of section 10a-186a of the general statutes is
364 repealed and the following is substituted in lieu thereof (*Effective July*
365 *1, 2004*):

366 (a) In connection with the issuance of bonds to finance a project at a
367 participating nursing home or to refund bonds previously issued by
368 the authority to finance a project at a participating nursing home, [or]
369 to finance dormitories, residential facilities, student centers, food
370 service facilities and other auxiliary service facilities and related

371 buildings and improvements at a public institution of higher
372 education, or to finance up to one hundred million dollars, in the
373 aggregate, for equipment, including installation and any necessary
374 building renovations or alterations for the installation and operation of
375 such equipment, for participating health care institutions at the
376 discretion of the Secretary of the Office of Policy and Management and
377 the Treasurer, the authority may create and establish one or more
378 reserve funds to be known as special capital reserve funds and may
379 pay into such special capital reserve funds (1) any moneys
380 appropriated and made available by the state for the purposes of such
381 funds, (2) any proceeds of sale of notes or bonds for a project, to the
382 extent provided in the resolution of the authority authorizing the
383 issuance thereof, and (3) any other moneys which may be made
384 available to the authority for the purpose of such funds from any other
385 source or sources. The moneys held in or credited to any special capital
386 reserve fund established under this section, except as hereinafter
387 provided, shall be used solely for the payment of the principal of and
388 interest, when due, whether at maturity or by mandatory sinking fund
389 installments, on bonds of the authority secured by such capital reserve
390 fund as the same become due, the purchase of such bonds of the
391 authority, the payment of any redemption premium required to be
392 paid when such bonds are redeemed prior to maturity; provided the
393 authority shall have power to provide that moneys in any such fund
394 shall not be withdrawn therefrom at any time in such amount as
395 would reduce the amount of such funds to less than the maximum
396 amount of principal and interest becoming due by reasons of maturity
397 or a required sinking fund installment in the then current or any
398 succeeding calendar year on the bonds of the authority then
399 outstanding or the maximum amount permitted to be deposited in
400 such fund by the Internal Revenue Code of 1986, or any subsequent
401 corresponding internal revenue code of the United States, as from time
402 to time amended, to permit the interest on said bonds to be excluded
403 from gross income for federal tax purposes and secured by such
404 special capital reserve fund, such amount being herein referred to as

405 the "required minimum capital reserve", except for the purpose of
406 paying such principal of, redemption premium and interest on such
407 bonds of the authority secured by such special capital reserve
408 becoming due and for the payment of which other moneys of the
409 authority are not available. The authority may provide that it shall not
410 issue bonds secured by a special capital reserve fund at any time if the
411 required minimum capital reserve on the bonds outstanding and the
412 bonds then to be issued and secured by the same special capital
413 reserve fund at the time of issuance, unless the authority, at the time of
414 the issuance of such bonds, shall deposit in such special capital reserve
415 fund from the proceeds of the bonds so to be issued, or otherwise, an
416 amount which, together with the amount then in such special capital
417 reserve fund, will be not less than the required minimum capital
418 reserve. On or before December first, annually, there is deemed to be
419 appropriated from the state General Fund such sums, if any, as shall be
420 certified by the chairman or vice-chairman of the authority to the
421 Secretary of the Office of Policy and Management and the Treasurer of
422 the state, as necessary to restore each such special capital reserve fund
423 to the amount equal to the required minimum capital reserve of such
424 fund, and such amounts shall be allotted and paid to the authority. For
425 the purpose of evaluation of any such special capital reserve fund,
426 obligations acquired as an investment for any such fund shall be
427 valued at market. Nothing contained in this section shall preclude the
428 authority from establishing and creating other debt service reserve
429 funds in connection with the issuance of bonds or notes of the
430 authority which are not special capital reserve funds. Subject to any
431 agreement or agreements with holders of outstanding notes and bonds
432 of the authority, any amount or amounts allotted and paid to the
433 authority pursuant to this section shall be repaid to the state from
434 moneys of the authority at such time as such moneys are not required
435 for any other of its corporate purposes and in any event shall be repaid
436 to the state on the date one year after all bonds and notes of the
437 authority theretofore issued on the date or dates such amount or
438 amounts are allotted and paid to the authority or thereafter issued,

439 together with interest on such bonds and notes, with interest on any
440 unpaid installments of interest and all costs and expenses in
441 connection with any action or proceeding by or on behalf of the
442 holders thereof, are fully met and discharged. No bonds secured by a
443 special capital reserve fund shall be issued to pay project costs unless
444 the authority is of the opinion and determines that the revenues from
445 the project shall be sufficient (A) to pay the principal of and interest on
446 the bonds issued to finance the project, (B) to establish, increase and
447 maintain any reserves deemed by the authority to be advisable to
448 secure the payment of the principal of and interest on such bonds, (C)
449 to pay the cost of maintaining the project in good repair and keeping it
450 properly insured, and (D) to pay such other costs of the project as may
451 be required.

452 Sec. 18. (NEW) (*Effective from passage*) Notwithstanding the
453 provisions of section 4a-9 of the general statutes, the Department of
454 Social Services may provide up to five hundred thousand dollars of the
455 funds authorized under section 4a-10 of the general statutes to the
456 United Way of Connecticut for the purchase of capital equipment for
457 the 2-1-1 Infoline program.

458 Sec. 19. Section 22-26hh of the general statutes is repealed and the
459 following is substituted in lieu thereof (*Effective July 1, 2004*):

460 The State Bond Commission shall have power, from time to time, to
461 authorize the issuance of bonds of the state in one or more series and
462 in principal amounts not exceeding in the aggregate [eighty-seven
463 million seven hundred fifty thousand] eighty-nine million seven
464 hundred fifty thousand dollars, the proceeds of which shall be used for
465 the purposes of section 22-26cc, as amended, provided not more than
466 two million dollars of said authorization shall be effective July 1, [2002]
467 2004, and further provided not more than two million dollars shall be
468 used for the purposes of section 22-26jj, as amended. All provisions of
469 section 3-20, as amended, or the exercise of any right or power granted
470 thereby which are not inconsistent with the provisions of this section

471 are hereby adopted and shall apply to all bonds authorized by the
472 State Bond Commission pursuant to this section, and temporary notes
473 in anticipation of the money to be derived from the sale of any such
474 bonds so authorized may be issued in accordance with said section 3-
475 20 and from time to time renewed. Such bonds shall mature at such
476 time or times not exceeding twenty years from their respective dates as
477 may be provided in or pursuant to the resolution or resolutions of the
478 State Bond Commission authorizing such bonds. None of said bonds
479 shall be authorized except upon a finding by the State Bond
480 Commission that there has been filed with it a request for such
481 authorization, which is signed by or on behalf of the Secretary of the
482 Office of Policy and Management and states such terms and conditions
483 as said commission, in its discretion, may require. Said bonds issued
484 pursuant to this section shall be general obligations of the state and the
485 full faith and credit of the state of Connecticut are pledged for the
486 payment of the principal of and interest on said bonds as the same
487 become due, and accordingly and as part of the contract of the state
488 with the holders of said bonds, appropriation of all amounts necessary
489 for punctual payment of such principal and interest is hereby made,
490 and the Treasurer shall pay such principal and interest as the same
491 become due.

492 Sec. 20. Section 32-669 of the general statutes is repealed and the
493 following is substituted in lieu thereof (*Effective July 1, 2004*):

494 (a) On or before February 1, 2003, and annually thereafter, until five
495 years after the opening of the convention center, the Secretary of the
496 Office of Policy and Management shall prepare a report regarding the
497 status of the Adriaen's Landing project and The University of
498 Connecticut football stadium project. Such report shall be made, in
499 accordance with the provisions of section 11-4a, to the president pro
500 tempore of the Senate, the speaker of the House of Representatives, the
501 majority leader of the Senate, the majority leader of the House of
502 Representatives, the minority leader of the Senate and the minority
503 leader of the House of Representatives and to the joint standing

504 committee of the General Assembly having cognizance of matters
505 relating to finance, revenue and bonding. The report to said committee
506 shall be presented at a meeting of said committee held during the
507 regular session of the calendar year in which such report is due.

508 (b) Such report shall be separated into a section on the Adriaen's
509 Landing project and a section on The University of Connecticut
510 football stadium project and shall contain the following information:
511 (1) A detailed estimated budget for the overall project; (2) the current
512 timeline for the entire project, with significant milestone events, from
513 inception to projected completion date; (3) for each project component,
514 including, but not limited to, the science center, (A) a description of the
515 component, (B) its current budget in detail, comparing it to the budget
516 presented to the General Assembly prior to May 2, 2000, (C) projected
517 completion date, (D) any change made in the course of planning and
518 execution over the prior calendar year and reasons for such change,
519 and (E) status at the end of such calendar year; (4) problems
520 encountered in the prior calendar year and potential problems in the
521 future; (5) status of the project's compliance with the provisions of
522 section 32-605, including, but not limited to, (A) a description of each
523 contract entered into during the prior calendar year, (B) whether any
524 contractor is a woman-owned business enterprise, a minority business
525 enterprise or a small business enterprise, as those terms are defined in
526 section 4a-60g, (C) the value of such contract, (D) any subcontractors
527 under such contract, the value of the subcontract and whether any
528 subcontractor is a woman-owned business enterprise, a minority
529 business enterprise or a small business enterprise, as those terms are
530 defined in section 4a-60g, (E) the number of jobs associated with such
531 contract, including the number of jobs held by residents of Hartford
532 and East Hartford and the number of jobs held by women and
533 minorities, and (F) any steps being taken for affirmative action and
534 corrective measures for any deficiencies; (6) a detailed projected
535 annual operating budget for each facility, including information
536 regarding how much funding the state will be required to provide and
537 how much the municipality will be required to provide; [and] (7) a

538 timeline showing when operating expenses may be incurred prior to
 539 the project's completion, including how much of such expenses will be
 540 provided by the state in each year and how much will be provided by
 541 the host municipality; (8) current estimates for funding from all state
 542 and private sources for each component of the project for each fiscal
 543 year in which the funding is made available; (9) a summary of the total
 544 funding for the project from each of the following sources: (A) General
 545 obligation bonds, (B) funding from the General Fund operating
 546 surplus, (C) revenue bonds issued by the Capital City Economic
 547 Development Authority, with the associated General Fund costs,
 548 including, but not limited to, General Fund debt service
 549 reimbursement for the parking garage and utility plant, (D) tax
 550 exemptions or credits granted to any part of the project, (E) payments
 551 in lieu of taxes made to any municipality for any component of the
 552 project, (F) the operating subsidy for the convention center and the
 553 science center, (G) private investments, and (H) any other sources; and
 554 (10) detailed financial information regarding the income and expenses
 555 of any public entities operating at Adriaen's Landing.

556 Sec. 21. Section 1-124 of the general statutes is repealed and the
 557 following is substituted in lieu thereof (*Effective July 1, 2004*):

558 (a) The Connecticut Development Authority, the Connecticut
 559 Health and Educational Facilities Authority, the Connecticut Higher
 560 Education Supplemental Loan Authority, the Connecticut Housing
 561 Finance Authority, the Connecticut Housing Authority, [and] the
 562 Connecticut Resources Recovery Authority and the Capital City
 563 Economic Development Authority shall not borrow any money or
 564 issue any bonds or notes which are guaranteed by the state of
 565 Connecticut or for which there is a capital reserve fund of any kind
 566 which is in any way contributed to or guaranteed by the state of
 567 Connecticut until and unless such borrowing or issuance is approved
 568 by the State Treasurer or the Deputy State Treasurer appointed
 569 pursuant to section 3-12. The approval of the State Treasurer or said
 570 deputy shall be based on documentation provided by the authority

571 that it has sufficient revenues to (1) pay the principal of and interest on
572 the bonds and notes issued, (2) establish, increase and maintain any
573 reserves deemed by the authority to be advisable to secure the
574 payment of the principal of and interest on such bonds and notes, (3)
575 pay the cost of maintaining, servicing and properly insuring the
576 purpose for which the proceeds of the bonds and notes have been
577 issued, if applicable, and (4) pay such other costs as may be required.

578 (b) To the extent the Connecticut Development Authority,
579 Connecticut Innovations, Incorporated, Connecticut Higher Education
580 Supplemental Loan Authority, Connecticut Housing Finance
581 Authority, Connecticut Housing Authority, Connecticut Resources
582 Recovery Authority, [or] Connecticut Health and Educational Facilities
583 Authority or the Capital City Economic Development Authority is
584 permitted by statute and determines to exercise any power to
585 moderate interest rate fluctuations or enter into any investment or
586 program of investment or contract respecting interest rates, currency,
587 cash flow or other similar agreement, including, but not limited to,
588 interest rate or currency swap agreements, the effect of which is to
589 subject a capital reserve fund which is in any way contributed to or
590 guaranteed by the state of Connecticut, to potential liability, such
591 determination shall not be effective until and unless the [Treasurer of
592 the state] State Treasurer or his or her deputy appointed pursuant to
593 section 3-12 has approved such agreement or agreements. The
594 approval of the State Treasurer or his or her deputy shall be based on
595 documentation provided by the authority that it has sufficient
596 revenues to meet the financial obligations associated with the
597 agreement or agreements.

598 Sec. 22. (NEW) (*Effective from passage*) (a) The Connecticut Health
599 and Educational Facilities Authority shall allocate from its reserves an
600 amount not to exceed one million five hundred thousand dollars in the
601 aggregate for a period not to exceed three years to establish a Captive
602 Insurance Demonstration Program Grant Fund. The fund shall be used
603 to provide grants to nonprofit hospitals that establish a captive insurer

604 or expand coverage offered by an existing captive insurer in order to
605 provide medical malpractice indemnity or insurance to physicians and
606 surgeons who enjoy privileges at the hospitals. The fund may cover
607 legal, actuarial, consulting and other costs associated with providing
608 such indemnity or insurance. Any amount in the fund that is not
609 expended at the end of the three-year period shall revert to the
610 authority's reserves.

611 (b) Grants shall be awarded based on the size and financial
612 resources of the hospitals. Grants shall not exceed seven hundred fifty
613 thousand dollars per captive insurer and shall not be used to establish
614 or expand more than two captive insurers. No hospital shall be eligible
615 for a grant under this section unless it agrees to provide the authority,
616 on a periodic basis as determined by the authority but not less than
617 annually, information on the captive insurer's performance including,
618 but not limited to, premiums charged, captive insurer operating costs,
619 claims experience, the estimated savings over methods of insurance
620 used by the hospital prior to the creation of the captive insurer, and
621 other information required by the authority.

622 (c) Not later than February 1, 2005, and annually thereafter until
623 February 1, 2008, the authority shall complete a report that includes an
624 analysis of the information submitted to the authority by hospitals that
625 receive a grant pursuant to this section. The report shall be made
626 available to the public and the authority shall annually submit the
627 report to the General Assembly in accordance with section 11-4a of the
628 general statutes.

629 Sec. 23. (NEW) (*Effective from passage*) The Connecticut Health and
630 Educational Facilities Authority shall establish, within available
631 resources, a program to allow nonprofit hospitals to access leases in
632 order to finance costs associated with the digitization of patient
633 records if such costs are exempt from taxation pursuant to the Internal
634 Revenue Code of 1986, or any subsequent corresponding internal
635 revenue code of the United States, as from time to time amended. Such

636 leases may be made available to hospitals on an individual or group
637 basis.

638 Sec. 24. (NEW) (*Effective from passage*) (a) For the purposes of the
639 program described in this section, municipalities, local boards of
640 education with the approval of the municipal legislative body, regional
641 school districts and regional educational service centers shall be
642 deemed to be "participating qualified nonprofit organizations". For the
643 purposes of this section, "preschool project" means the acquisition,
644 construction, improvement, extension, furnishing or equipping of a
645 structure or facility suitable for use for, required or useful for nonprofit
646 educational programs for three-year-old or four-year-old children,
647 including, but not limited to, school readiness and Head Start
648 programs, or the acquisition of fixtures, equipment or machinery for
649 such a structure or facility; "bonds" means any bonds, including
650 refunding bonds, notes, temporary notes, interim certificates,
651 debentures or other obligations of indebtedness; and "municipality"
652 means a town, city, consolidated town or city or consolidated town
653 and borough.

654 (b) The Connecticut Health and Educational Facilities Authority
655 may issue bonds pursuant to section 10a-185 of the general statutes for
656 the purpose of funding loans to a participating qualified nonprofit
657 organization for preschool projects, including for two or more
658 preschool projects jointly, which bonds may be secured, in whole or in
659 part, by a pledge of revenues to be derived from the operation or use
660 of a preschool project, including fees, charges, tuition or other
661 revenues or third party payments made on behalf of children served
662 by such preschool project to the extent permitted by law. In carrying
663 out the purposes of this section, the authority shall have and may
664 exercise the powers provided in section 10a-180 of the general statutes.

665 (c) Participating qualified nonprofit organizations may borrow
666 money from the Connecticut Health and Educational Facilities
667 Authority for any preschool project for which the authority is

668 authorized to make loans pursuant to this section. In connection with
669 such borrowing, participating qualified nonprofit organizations may
670 enter into any loan or other agreement and make such covenants,
671 representations and indemnities as such participating qualified
672 nonprofit organization deems necessary or desirable to obtain such
673 loans from the authority or to facilitate the issue of bonds by the
674 authority to finance such loans, including agreements with providers
675 of letters of credit, insurance or other credit facilities for such
676 financings.

677 (d) Any bonds issued pursuant this section shall not constitute
678 indebtedness within the meaning of any statutory limitation on the
679 indebtedness of any participating municipality, or of the municipality
680 or member municipality if the borrower is a local board of education
681 or regional school district. Bonds issued pursuant to this section shall
682 be special obligations of the municipality and shall not be payable
683 from nor charged upon any funds other than revenues pledged to the
684 payment thereof, nor shall the municipality be subject to any liability
685 thereon except to the extent of any pledged revenues. No holder or
686 holders of any bonds shall have the right to compel any exercise of the
687 taxing power of the municipality to pay any bonds or the interest
688 thereon, or to enforce payment thereon against any property of the
689 municipality except property encumbered under the provisions and
690 for the purposes of this section. The bonds shall not constitute a
691 charge, lien or encumbrance, legal or equitable, upon any property of
692 the municipality except property encumbered under the provisions
693 and for the purposes of this section.

694 (e) The authority shall adopt procedures to carry out the purposes
695 of this section.

696 Sec. 25. Subsection (b) of section 10a-178 of the general statutes is
697 repealed and the following is substituted in lieu thereof (*Effective from*
698 *passage*):

699 (b) "Project", in the case of a participating institution for higher

700 education, means a structure suitable for use as a dormitory or other
701 housing facility, including housing for staff members, employees or
702 students at such institution of higher education, dining hall, student
703 union, administration building, academic building, library, laboratory,
704 research facility, classroom, athletic facility, health care facility, and
705 maintenance, storage or utility facility and other structures or facilities
706 related thereto or required or useful for the instruction of students or
707 the conducting of research or the operation of an institution for higher
708 education, including parking and other facilities or structures essential
709 or convenient for the orderly conduct of such institution for higher
710 education, also including equipment and machinery and other similar
711 items necessary or convenient for the operation of a particular facility
712 or structure in the manner for which its use is intended [, or items of
713 equipment having a purchase price or lease rental value in excess of
714 twenty-five thousand dollars and an estimated useful life of four years
715 or longer which are necessary or desirable] or for the operation of a
716 participating institution for higher education, or any combination
717 thereof, but shall not include such items as books, fuel, supplies or
718 other items the purchase of which [are] is customarily deemed to result
719 in a current operating charge; in the case of a participating health care
720 institution, means a structure suitable for use as a hospital, clinic, or
721 other health care facility, laboratory, laundry, residence facility,
722 including housing for nurses, interns, staff members, employees or
723 students at such health care institution and their immediate families
724 and for physically or mentally handicapped persons, administration
725 building, research facility, and maintenance, storage or utility facility
726 and other structures or facilities related thereto or required or useful
727 for the operation of the project, including parking and other facilities
728 or structures essential or convenient for the orderly operation of such
729 project, also including equipment and machinery and other similar
730 items necessary or convenient for the operation of the project in the
731 manner for which its use is intended [, or items of equipment having a
732 purchase price or lease rental value in excess of twenty-five thousand
733 dollars and an estimated useful life of four years or longer which are

734 necessary or desirable] or for the operation of a participating health
 735 care institution, or any combination thereof, but shall not include such
 736 items as fuel, supplies or other items the purchase of which [are] is
 737 customarily deemed to result in a current operating charge; in the case
 738 of a participating qualified nonprofit organization, means a structure
 739 or facility owned in its entirety by, or suitable for use in accordance
 740 with the charitable or nonprofit status of the qualified nonprofit
 741 organization, also including equipment and machinery and other
 742 similar items necessary or convenient for the operation of the project in
 743 the manner for which its use is intended or for the operation of a
 744 participating qualified nonprofit corporation; and, in the case of a
 745 participating nursing home, means a structure or facility suitable for
 746 use as a nursing home, residential care home, rest home, health care
 747 facility for the handicapped, mental health facility or independent
 748 living facility subject to the licensing requirements of chapter 368v and
 749 appurtenant facilities, [and] equipment and machinery and other
 750 similar items necessary or convenient for the operation of a particular
 751 facility or structure in the manner for which its use is intended or for
 752 the operation of [such homes and facilities in the manner for which its
 753 use is intended] a participating nursing home.

754 Sec. 26. Subsection (k) of section 10a-179 of the general statutes is
 755 repealed and the following is substituted in lieu thereof (*Effective from*
 756 *passage*):

757 (k) (1) The authority may [incorporate] form one or more
 758 subsidiaries to carry out the public purposes of the authority and may
 759 transfer to any such subsidiary any moneys and real or personal
 760 property of any kind or nature. Any such subsidiary may be organized
 761 as a stock or nonstock corporation or a limited liability company. Each
 762 such subsidiary shall have and may exercise such powers of the
 763 authority as are set forth in the resolution of the authority prescribing
 764 the purposes for which such subsidiary is formed and such other
 765 powers provided to it by law. Each such subsidiary shall be deemed a
 766 quasi-public agency for purposes of chapter 12 and shall have all the

767 privileges, immunities, tax exemptions and other exemptions of the
768 authority, including the privileges, immunities, tax exemptions and
769 other exemptions provided under the general statutes for special
770 capital reserve funds. Each such subsidiary shall be subject to suit
771 provided its liability shall be limited solely to the assets, revenues and
772 resources of the subsidiary and without recourse to the general funds,
773 revenues, resources or any other assets of the authority. Each such
774 subsidiary is authorized to assume or take title to property subject to
775 any existing lien, encumbrance or mortgage and to mortgage, convey
776 or dispose of its assets and pledge its revenues in order to secure any
777 borrowing, for the purpose of refinancing, rehabilitating or improving
778 its assets, provided each such borrowing or mortgage shall be a special
779 obligation of the subsidiary, which obligation may be in the form of
780 bonds, bond anticipation notes and other obligations to the extent
781 permitted under this chapter to fund and refund the same and provide
782 for the rights of the holders thereof, and to secure the same by pledge
783 or revenues, notes and other assets and which shall be payable solely
784 from the assets, revenues and other resources of the subsidiary. The
785 authority shall have the power to assign to a subsidiary any rights,
786 moneys or other assets it has under any governmental program
787 including the nursing home loan program. No borrowing shall be
788 undertaken by a subsidiary of the authority without the approval of
789 the authority.

790 (2) Each such subsidiary shall act through its board of directors at
791 least one-half of which shall be members of the board of directors of
792 the authority, or their designees or officers or employees of the
793 authority. A resolution of the authority shall prescribe the purposes for
794 which each such subsidiary is formed.

795 (3) The provisions of section 1-125, subsection (e) of section 10a-185
796 and this subsection shall apply to any officer, director, designee or
797 employee appointed as a member, director or officer of any such
798 subsidiary. Any such persons so appointed shall not be personally
799 liable for the debts, obligations or liabilities of any such subsidiary as

800 provided in said section 1-125. The subsidiary shall and the authority
801 may provide for the indemnification to protect, save harmless and
802 indemnify such officer, director, designee or employee as provided by
803 said section 1-125.

804 (4) The authority or such subsidiary may take, such actions as are
805 necessary to comply with the provisions of the Internal Revenue Code
806 of 1986 or any subsequent corresponding internal revenue code of the
807 United States, as from time to time amended, to qualify and maintain
808 any such subsidiary as a corporation exempt from taxation under said
809 internal revenue code.

810 (5) The authority may make loans to each such subsidiary, following
811 standard authority procedures, from its assets and the proceeds of its
812 bonds, notes and other obligations, provided the source and security
813 for the repayment of such loans is derived from the assets, revenues
814 and resources of the subsidiary.

815 Sec. 27. Section 10a-180 of the general statutes, as amended by
816 section 10 of public act 03-84 and section 27 of public act 03-278, is
817 repealed and the following is substituted in lieu thereof (*Effective from*
818 *passage*):

819 The purpose of the authority shall be to assist institutions for higher
820 education, health care institutions, nursing homes, child care or child
821 development facilities, and qualified nonprofit organizations in the
822 construction, financing and refinancing of projects or in any other
823 manner provided in this chapter, and for this purpose the authority is
824 authorized and empowered:

825 (a) To have perpetual succession as a body politic and corporate and
826 to adopt bylaws for the regulation of its affairs and the conduct of its
827 business;

828 (b) To adopt an official seal and alter the same at pleasure;

829 (c) To maintain an office at such place or places as it may designate;

830 (d) To sue and be sued in its own name, and plead and be
831 impleaded;

832 (e) To determine the location and character of any project to be
833 financed under the provisions of this chapter, and to construct,
834 reconstruct, renovate, replace, maintain, repair, operate, lease, as lessee
835 or lessor, and regulate the same, to enter into contracts for any or all of
836 such purposes, to enter into contracts for the management and
837 operation of a project, and to designate a participating institution for
838 higher education, a participating health care institution, a participating
839 corporation, a participating nursing home or a participating qualified
840 nonprofit organization as its agent to determine the location and
841 character of a project undertaken by such participating institution for
842 higher education, by such participating health care institution, by such
843 participating corporation, by such participating nursing home or by
844 such participating qualified nonprofit organization under the
845 provisions of this chapter and as the agent of the authority, to
846 construct, reconstruct, renovate, replace, maintain, repair, operate,
847 lease, as lessee or lessor, and regulate the same, and, as the agent of the
848 authority, to enter into contracts for any or all of such purposes,
849 including contracts for the management and operation of such project;

850 (f) To issue bonds, bond anticipation notes and other obligations of
851 the authority for any of its corporate purposes, and to fund or refund
852 the same, all as provided in this chapter;

853 (g) Generally, to fix and revise from time to time and charge and
854 collect rates, rents, fees and charges for the use of and for the services
855 furnished or to be furnished by a project or any portion thereof and to
856 contract with any person, partnership, association or corporation or
857 other body public or private in respect thereof;

858 (h) To establish rules and regulations for the use of a project or any
859 portion thereof and to designate a participating institution for higher
860 education, a participating health care institution, a participating
861 corporation, a participating nursing home or qualified nonprofit

862 organization as its agent to establish rules and regulations for the use
863 of a project undertaken by such participating institution for higher
864 education, by such participating health care institution, by such
865 participating corporation or by such participating nursing home or by
866 such participating qualified nonprofit organization;

867 (i) To employ consulting engineers, architects, attorneys,
868 accountants, construction and financial experts, superintendents,
869 managers, and such other employees and agents as may be necessary
870 in its judgment, and to fix their qualifications, duties and
871 compensation;

872 (j) To receive and accept from any public agency insurance, loans or
873 grants for or in aid of the construction of a project or any portion
874 thereof, and to receive and accept loans, grants, aid or contributions
875 from any source of either money, property, labor or other things of
876 value, to be held, used and applied only for the purposes for which
877 such loans, grants, aid and contributions are made;

878 (k) To mortgage any project and the site thereof for the benefit of the
879 holders of bonds issued to finance such project;

880 (l) To make loans to any participating institution for higher
881 education, to any participating health care institution, to any
882 participating corporation, to any participating nursing home and to
883 any participating qualified nonprofit organization for the cost of a
884 project in accordance with an agreement between the authority and
885 such participating institution for higher education, such participating
886 health care institution, such participating corporation, such
887 participating nursing home or such participating qualified nonprofit
888 organization and to utilize the services of an agent in making such
889 loans or to agree to purchase federally guaranteed securities from any
890 third parties making such loans; provided no such loan shall exceed
891 the total cost of the project as determined by the participating
892 institution for higher education, the participating health care
893 institution, the participating corporation, the participating nursing

894 home or the participating qualified nonprofit organization, and
895 approved by the authority;

896 (m) To make loans to a participating institution for higher
897 education, to a participating health care institution, to a participating
898 corporation, to a participating nursing home or to a participating
899 qualified nonprofit organization, to refinance or refund outstanding
900 obligations or mortgages on the project, or advances issued for the cost
901 of a project, made or given by such participating institution for higher
902 education, such participating health care institution, such participating
903 corporation, such participating nursing home or such participating
904 qualified nonprofit organization, to utilize the services of an agent in
905 making such loans or to agree to purchase federally guaranteed
906 securities from any third parties making such loans and to create a
907 security interest in revenues to be pledged to the authority;

908 (n) To charge to and equitably apportion among participating
909 institutions for higher education, participating health care institutions,
910 participating corporations, participating nursing homes and
911 participating qualified nonprofit organizations its administrative costs
912 and expenses incurred in the exercise of the powers and duties
913 conferred by this chapter;

914 (o) To acquire and to agree to acquire any federally guaranteed
915 security and to pledge or otherwise use any such federally guaranteed
916 security in such manner as the authority deems in its best interest to
917 secure or otherwise provide a source of repayment on any of its bonds
918 or notes or to agree to make a loan to any participating institution for
919 higher education, participating health care institution, participating
920 corporation, participating nursing home or participating qualified
921 nonprofit organization for the purpose of acquiring and entering into
922 commitments to acquire any federally guaranteed security; provided
923 that any agreement entered into pursuant to this subdivision may
924 contain such provisions as are deemed necessary or desirable by the
925 authority for the security or protection of the authority or the holders

926 of its bonds or notes; provided further that the authority, prior to
927 making any such acquisition, commitment or loan, shall agree with
928 any such participating institution for higher education, participating
929 health care institution, participating corporation, participating nursing
930 home or participating qualified nonprofit organization or any other
931 appropriate institution or corporation to require that the proceeds
932 derived from the acquisition of any such federally guaranteed security
933 will be used for the purpose of financing or refinancing any project for
934 such participating institution for higher education, participating health
935 care institution, participating corporation, participating nursing home
936 or participating qualified nonprofit organization;

937 (p) To do all things necessary or convenient to carry out the
938 purposes of this chapter. In carrying out the purposes of this chapter,
939 the authority may undertake a project for two or more participating
940 institutions for higher education jointly, two or more participating
941 health care institutions jointly, two or more participating corporations
942 jointly, two or more participating nursing homes jointly or two or
943 more participating qualified nonprofit organizations jointly, or for any
944 combination thereof of participating institutions for higher education,
945 participating health care institutions, participating corporations,
946 participating nursing homes or participating qualified nonprofit
947 organizations, and, thereupon, all other provisions of this chapter shall
948 apply to and for the benefit of the authority and such joint participants;

949 (q) To make loans to any participating health care institution, to any
950 participating institution for higher education, to any participating
951 corporation, or to any participating qualified nonprofit organization
952 which is organized, controlled or supervised by a health care
953 institution or an institution of higher education to finance or refinance
954 the cost of a project to be used to provide housing and auxiliary
955 facilities for staff members, employees or students of any such health
956 care institution or institution of higher education and their immediate
957 families, for physically or mentally handicapped persons or for any
958 one or more of the above purposes;

959 (r) To make and enter into all contracts and agreements necessary or
960 incidental to the performance of its duties and the execution of its
961 powers under its enabling legislation, including contracts and
962 agreements for such professional services as financial consultants,
963 bond counsel, underwriters, technical specialists, as the board of
964 directors shall deem necessary;

965 (s) To invest any funds not needed for immediate use or
966 disbursement, including reserve funds, in obligations issued or
967 guaranteed by the United States of America or the state of Connecticut,
968 including the state's Short-Term or Long-Term Investment Fund, and
969 in other securities or obligations which are legal investments for
970 [savings] banks in this state, or in investment agreements with
971 financial institutions whose short-term obligations are rated within the
972 top two rating categories of any nationally recognized rating service or
973 of any rating service recognized by the Banking Commissioner, or
974 investment agreements fully secured by obligations of, or guaranteed
975 by, the United States or agencies or instrumentalities of the United
976 States or in securities or obligations which are legal investments for
977 savings banks in this state, subject to repurchase agreements in the
978 manner in which such agreements are negotiated in sales of securities
979 in the market place, provided that the authority shall not enter into any
980 such agreement with any securities dealer or bank acting as a securities
981 dealer unless such dealer or bank is included in the list of primary
982 dealers, effective at the time of such agreement, as prepared by the
983 Federal Reserve Bank of New York, provided the investment of
984 escrowed proceeds of refunding bonds shall be governed by section
985 10a-192, and further provided nothing in this subsection shall limit the
986 investment of reserve funds of the authority, or of any moneys held in
987 trust or otherwise for the payment of bonds or notes of the authority,
988 pursuant to section 10a-190a;

989 (t) To adopt regular procedures for exercising its power under its
990 enabling legislation not in conflict with existing statutes;

991 (u) To make grants or provide other forms of financial assistance to
992 any institution for higher education, to any health care institution, to
993 any nursing home, to any child care or child development facility and
994 to any qualified nonprofit organization in such amounts, for such
995 purposes and subject to such eligibility and other requirements as are
996 established pursuant to written procedures adopted by the board of
997 directors pursuant to subsection (h) of section 10a-179;

998 (v) (1) In connection with, or incidental to, the issuance or carrying
999 of bonds, notes or other obligations of the authority, or acquisition or
1000 carrying of any investment or program of investment, to enter into any
1001 contract which the authority determines to be necessary or appropriate
1002 to place the obligation or investment of the authority, as represented
1003 by the bonds, notes or other obligations, investment or program of
1004 investment and the contract or contracts, in whole or in part, on the
1005 interest rate, currency, cash flow or other basis desired by the
1006 authority, including, without limitations, contracts commonly known
1007 as interest rate swap agreements, currency swap agreements, forward
1008 payment conversion agreements, futures or contracts providing for
1009 payments based on levels of, or changes in, interest rates, currency
1010 exchange rates, stock or other indices, or contracts to exchange cash
1011 flows or a series of payments, or contracts, including, without
1012 limitation, interest rate floors or caps, options, puts or calls to hedge
1013 payment, currency, rate, spread or similar exposure or, contracts for
1014 the purchase of option rights with respect to the mandatory tender for
1015 purchase of bonds, notes or other obligations of the authority, which
1016 are subject to mandatory tender or redemption, including the issuance
1017 of certificates evidencing the right of the owner to exercise such option
1018 rights. Such contracts or arrangements may also be entered into by the
1019 authority in connection with, or incidental to, entering into or
1020 maintaining any agreement which secures its bonds, notes or other
1021 obligations, subject to the terms and conditions thereof respecting
1022 outstanding obligations. (2) Bonds, notes and other obligations issued
1023 by the authority may be payable in accordance with their terms, in
1024 whole or in part, in currency other than lawful money of the United

1025 States of America, provided the authority enters into a currency swap
1026 or similar agreement for payments in lawful money of the United
1027 States of America, which covers the entire amount of the debt service
1028 payment obligation of the authority with respect to the bonds, notes or
1029 other obligations payable in other currency, and further provided if the
1030 term of that agreement is less than the term of the bonds, notes or
1031 other obligations, the authority shall include a best efforts covenant to
1032 enter into additional agreements as may be necessary to cover the
1033 entire amount of the debt service payment obligation. (3) In connection
1034 with, or incidental to, the issuance or carrying of bonds, notes or other
1035 obligations or entering into any of the contracts or agreements referred
1036 to in subdivision (1) of this subsection, the authority may enter into
1037 credit enhancement or liquidity agreements, with payment, interest
1038 rate, currency, security, default, remedy and other terms and
1039 conditions as the authority determines.

1040 Sec. 28. Subsections (e) and (f) of section 10a-185 of the general
1041 statutes are repealed and the following are substituted in lieu thereof
1042 (*Effective from passage*):

1043 (e) Neither the members of the board of directors of the authority
1044 nor any person executing the bonds, [or] notes or other obligations
1045 shall be liable personally on the bonds, [or] notes or other obligations
1046 or be subject to any personal liability or accountability by reason of the
1047 issuance thereof.

1048 (f) The authority shall have power out of any funds available
1049 therefor to purchase its bonds, [or] notes or other obligations. The
1050 authority may hold, pledge, cancel or resell such bonds, notes or other
1051 obligations, subject to and in accordance with agreements with
1052 bondholders.

1053 Sec. 29. Section 10a-185 of the general statutes is amended by adding
1054 subsection (g) as follows (*Effective from passage*):

1055 (NEW) (g) The authority is further authorized and empowered to

1056 issue bonds, notes or other obligations under this section the interest
1057 on which may be includable in the gross income of the holder or
1058 holders thereof under the Internal Revenue Code of 1986, or any
1059 subsequent corresponding internal revenue code of the United States,
1060 as from time to time amended, to the same extent and in the same
1061 manner that interest on bills, notes, bonds or other obligations of the
1062 United States is includable in the gross income of the holder or holders
1063 thereof under any such internal revenue code. Any such bonds, notes
1064 or other obligations may be issued only upon a finding by the
1065 authority that such issuance is necessary, is in the public interest, and
1066 is in furtherance of the purposes and powers of the authority. The state
1067 hereby consents to such inclusion only for the bonds, notes or other
1068 obligations of the authority so authorized.

1069 Sec. 30. Section 10a-190a of the general statutes is repealed and the
1070 following is substituted in lieu thereof (*Effective from passage*):

1071 The authority shall have power to contract with the holders of any
1072 of its bonds or notes as to the custody, collection, securing, investment
1073 and payment of any reserve funds of the authority, or of any moneys
1074 held in trust or otherwise for the payment of bonds or notes, and to
1075 carry out such contracts. Any officer with whom, or any bank or trust
1076 company with which, such moneys shall be deposited as trustee
1077 thereof shall hold, invest, reinvest and apply the same for the purposes
1078 thereof, subject to such provisions as this chapter and the resolution
1079 authorizing the issue of the bonds or notes or the trust agreement
1080 securing such bonds or notes may provide.

1081 Sec. 31. Subsection (d) of section 10a-192 of the general statutes is
1082 repealed and the following is substituted in lieu thereof (*Effective from*
1083 *passage*):

1084 (d) The portion of the proceeds of any such bonds issued for the
1085 additional purpose of paying all or any part of the cost of constructing
1086 and acquiring additions, improvements, extensions or enlargements of
1087 a project may be invested and reinvested [in direct obligations of, or

1088 obligations unconditionally guaranteed by, the United States of
 1089 America and certificates of deposit or time deposits secured by direct
 1090 obligations of, or obligations unconditionally guaranteed by, the
 1091 United States of America, or obligations of a state, a territory, or a
 1092 possession of the United States of America, or any political subdivision
 1093 of any of the foregoing, or of the District of Columbia, within the
 1094 meaning of Section 103(a) of the Internal Revenue Code of 1986, or any
 1095 subsequent corresponding internal revenue code of the United States,
 1096 as from time to time amended, the full and timely payment of the
 1097 principal of and interest on which are secured by an irrevocable
 1098 deposit of direct obligations of the United States of America which, if
 1099 the outstanding bonds are then rated by a nationally recognized rating
 1100 agency, are rated in the highest rating category by such rating agency,
 1101 maturing not later than the time or times when such proceeds will be
 1102 needed for the purpose of paying all or any part of such cost] as the
 1103 provisions of this chapter and the resolution authorizing the issuance
 1104 of such bonds or the trust agreement securing such bonds may
 1105 provide. The interest, income and profits, if any, earned or realized on
 1106 such investment may be applied to the payment of all or any part of
 1107 such cost or may be used by the authority in any lawful manner.

1108 Sec. 32. Section 10a-194c of the general statutes is repealed and the
 1109 following is substituted in lieu thereof (*Effective from passage*):

1110 (a) The Connecticut Health and Educational Facilities Authority
 1111 shall establish a program to finance low interest loans for child care
 1112 and child development centers, family resource centers and Head Start
 1113 programs that shall be known as the Connecticut Child Care Facilities
 1114 Program. Loans shall be made for the purpose of new construction or
 1115 renovation of existing centers or complying with federal, state and
 1116 local child care requirements, including health and safety standards.
 1117 For purposes of this section, "child development center" means a
 1118 building used by a nonprofit school readiness program, as defined in
 1119 section 10-16p, as amended, and "child care center" means a nonprofit
 1120 facility that is licensed by the Department of Public Health as a child

1121 day care center or a group day care home, both as defined in section
1122 19a-77, as amended.

1123 (b) The authority may issue bonds pursuant to section 10a-185 for
1124 the purpose of funding loans to child care and child development
1125 centers for the purposes provided in subsection (a) of this section,
1126 including for two or more child care or child development centers
1127 jointly, which bonds may be secured, in whole or in part, by a pledge
1128 of revenues to be derived from the operation or use of a child care or
1129 child development center, including third party payments made on
1130 behalf of children served by any such center to the extent permitted by
1131 law. In carrying out the purposes of this section, the authority shall
1132 have and may exercise the powers provided in section 10a-180.

1133 Sec. 33. (*Effective from passage*) Not more than one million dollars of
1134 the bond funds authorized under section 4-66c of the general statutes
1135 shall be made available to the city of Milford for (1) construction of a
1136 pavilion in the parking area at Walnut Beach, (2) extension of a
1137 boardwalk from Walnut Beach to Silver Sands State Park, (3)
1138 development of the Walnut Beach arts district, and (4) development of
1139 the Stowe Farm in the Walnut Beach district.

1140 Sec. 34. (*Effective from passage*) Not more than one million five
1141 hundred thousand dollars of the bond funds authorized under various
1142 public and special acts for the State Parks Improvement Program of the
1143 Department of Environmental Protection shall be made available for
1144 (1) extension of a boardwalk from Silver Sands State Park to Walnut
1145 Beach, and (2) the creation of handicapped access to Walnut Beach.

1146 Sec. 35. (*Effective from passage*) Bond proceeds authorized under
1147 section 4-66c of the general statutes that were allocated by the State
1148 Bond Commission at the January, 2001, commission meeting for a
1149 grant-in-aid to the city of Hartford for construction of senior centers
1150 shall remain available to the city until five years after the effective date
1151 of this section and shall not be reallocated.

1152 Sec. 36. (*Effective from passage*) Notwithstanding any provision of
1153 chapter 173 of the general statutes or the regulations adopted under
1154 said chapter 173, the board of education for the city of Bridgeport shall
1155 be eligible to submit a consolidated school construction grant
1156 application for multiple school projects and be eligible to receive a
1157 single grant equal to the state share of total costs of the projects. In
1158 addition to any funds supplied by the municipality, discretionary
1159 federal block grant and other designated funds may be deemed as
1160 locally supplied funding without regard to any zone restrictions that
1161 may limit the actual expenditure of such funds to specific schools.
1162 Notwithstanding the provisions of subdivision (18) of section 10-282 of
1163 the general statutes, a project under this section may be considered a
1164 renovation project for purposes of receiving a state grant.

1165 Sec. 37. (*Effective from passage*) Notwithstanding the provisions of
1166 section 10-283 of the general statutes, as amended, or any regulation
1167 adopted pursuant to said section 10-283, requiring that no school
1168 building project be added to the list in subdivision (1) of section 1 of
1169 substitute senate bill 530 of the February 2004 regular session, the
1170 consolidated school construction project for the city of Bridgeport with
1171 estimated total project costs of twenty-five million dollars is included
1172 in said subdivision (1) of said bill and shall be eligible to subsequently
1173 be considered for a grant commitment from the state, provided the city
1174 of Bridgeport files an application for a school building project prior to
1175 June 30, 2004, and meets all other provisions of chapter 173 of the
1176 general statutes and any regulation adopted by the State Board of
1177 Education.

1178 Sec. 38. (*Effective from passage*) Notwithstanding the provisions of
1179 section 10-283 of the general statutes, as amended, or any regulation
1180 adopted pursuant to said section 10-283, requiring that no school
1181 building project be added to the list in subdivision (1) of section 1 of
1182 substitute senate bill 530 of the February 2004 regular session, the
1183 project for the purchase and alteration of a facility of the University of
1184 Bridgeport with estimated total project costs of thirty-five million five

1185 hundred thousand dollars is included in said subdivision (1) of said
 1186 bill and shall be eligible to subsequently be considered for a grant
 1187 commitment from the state, provided the city of Bridgeport files an
 1188 application for a school building project prior to June 30, 2004, meets
 1189 all other provisions of chapter 173 of the general statutes and any
 1190 regulation adopted by the State Board of Education.

1191 Sec. 39. (*Effective from passage*) Notwithstanding the provisions of
 1192 section 10-283 of the general statutes, as amended, or any regulation
 1193 adopted pursuant to said section 10-283, requiring that the scope of a
 1194 school building project be set at the time of application for a school
 1195 building project grant, the city of Bridgeport may change the scope of
 1196 the project for the new Hall Elementary School (Project Number 015-
 1197 0132 N) to a project to renovate the Skane Elementary School.

1198 Sec. 40. (*Effective from passage*) Notwithstanding the provisions of
 1199 sections 22a-475 to 22a-483, inclusive, of the general statutes, the town
 1200 of Groton shall be eligible for a grant-in-aid of not more than two
 1201 million dollars for additional funding of eligible costs under said
 1202 sections to assist the town in its upgrade of a wastewater treatment
 1203 plant.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>
Sec. 2	<i>July 1, 2004</i>
Sec. 3	<i>July 1, 2004</i>
Sec. 4	<i>July 1, 2004</i>
Sec. 5	<i>from passage</i>
Sec. 6	<i>July 1, 2004</i>
Sec. 7	<i>July 1, 2004</i>
Sec. 8	<i>July 1, 2004</i>
Sec. 9	<i>July 1, 2004</i>
Sec. 10	<i>July 1, 2004</i>
Sec. 11	<i>July 1, 2004</i>
Sec. 12	<i>July 1, 2004</i>
Sec. 13	<i>July 1, 2004</i>

Sec. 14	<i>July 1, 2004</i>
Sec. 15	<i>July 1, 2004</i>
Sec. 16	<i>July 1, 2004</i>
Sec. 17	<i>July 1, 2004</i>
Sec. 18	<i>from passage</i>
Sec. 19	<i>July 1, 2004</i>
Sec. 20	<i>July 1, 2004</i>
Sec. 21	<i>July 1, 2004</i>
Sec. 22	<i>from passage</i>
Sec. 23	<i>from passage</i>
Sec. 24	<i>from passage</i>
Sec. 25	<i>from passage</i>
Sec. 26	<i>from passage</i>
Sec. 27	<i>from passage</i>
Sec. 28	<i>from passage</i>
Sec. 29	<i>from passage</i>
Sec. 30	<i>from passage</i>
Sec. 31	<i>from passage</i>
Sec. 32	<i>from passage</i>
Sec. 33	<i>from passage</i>
Sec. 34	<i>from passage</i>
Sec. 35	<i>from passage</i>
Sec. 36	<i>from passage</i>
Sec. 37	<i>from passage</i>
Sec. 38	<i>from passage</i>
Sec. 39	<i>from passage</i>
Sec. 40	<i>from passage</i>